

## Air Program Priorities and Status

January 30, 2019

### PERMITS

#### Tribal Permitting, Pending Permits:

We are catching up on processing registrations and updating our website for sources covered by the national oil and natural gas FIP and reviewing NSR applications received during the shutdown. In addition, there are currently 11 pending permitting actions, all SMNSRs, that are subject to the 6/15/2018 Henry Darwin email and subsequent clarification (permits > 12 months old versus > 6 months old) plus 2 recently backlogged actions. We will initiate the public comment period on 2/4/2019 for Anadarko's Diablo Compressor Station. This is a template for 9 other Anadarko permits, similar to those that were appealed last year and for which EPA prevailed with the appeals board. Five other permitting actions have already been proposed and could potentially be issued in the next 3 weeks; 2 of these, FBIR Compressor Station and Catamount Ignacio Gas Treating Plant are our highest priority due to company interest and/or new construction. Below is a detailed list of near-term permitting actions. Those we are focusing on in next 3 weeks are highlighted.

Propose by 3/1/2019 and issue final by 4/15/2019:

- Diablo Compressor Station, Anadarko (Claudia), template for other Anadarko permits, propose by 2/4/2019
- Steamboat Butte C1/C3 Tank Battery, Merit Energy (Christopher), comment period ended 1/22/2019
- L-16 Compressor Station, Anadarko (Patrick)
- Morgan State Compressor Station, Anadarko (Patrick)
- South East Compressor Station, Anadarko (Patrick)
- Ouray Compressor Station, Anadarko (Patrick), became backlogged on 1/25/2019
- Blue Feather Compressor Station, Anadarko (Greg)
- East Junior Compressor Station, Anadarko (Greg)
- Willow Creek Compressor Station, Anadarko (Greg)
- South Compressor Station, Anadarko (Greg), became backlogged on 1/25/2019
- Bonanza West Compressor Station, Anadarko (Joe)

Issue final by 3/15/2019:

- Federal 10-22-6-20, Crescent Point (Colin) (received adverse comments from WEG)
- Ute Tribal 20-02 Compressor Station, Crescent Point (Colin), potential MM2A issue being coordinated with HQ (received adverse comments from WEG)

The following two final permits (not backlogged) are high priorities for the companies involved:

- FBIR Compressor Station, MCP Operating LLC (Colin), in management review
- Catamount Ignacio Gas Treating Plant, Catamount Energy (Claudia), comment period closed on 1/16/2019, working on response to tribe's comments, becomes backlogged on 2/22/2019

**Tribal Permitting, Preapplication/Application Completeness Review Work:**

- A meeting is being scheduled with Arcadis in the Region 8 office to discuss Thunder Butte Petroleum Services refinery project to advise the tribe's consultant on air dispersion modeling. The tribe will not be in attendance.
- A permit application modification was received on 1/4/2019 for Newfield's Well Pad Mamie 4-25-3-3-WH in the Uinta Basin. We are reviewing modeling and other information submitted with the application in order to determine application completeness.
- Enefit and Red Leaf meetings need to be rescheduled for future oil shale projects in the Uinta Basin.

**State Permitting Oversight:**

- EPA received a CAA Title V Petition for North Dakota's proposed Coyote Station Title V renewal permit on 1/15/2019. The petition was filed by Casey and Julie Voigt, private citizens who live and work in close proximity to the coal-fired Coyote Creek Station power plant and the Coyote Creek Mine. We should make coordination with OAQPS/ORC/OGC and the state a priority in the hope of getting the state to re-propose this permit, **Ex. 5 Deliberative Process (DP)**  
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**Ex. 5 Deliberative Process (DP)** for purposes of Prevention of Significant Deterioration (PSD) regulations. The state has not issued a final permit; however, EPA's 45-day review period closed on 11/16/2018. A petition needs to be filed within 60 days of the close of the 45-day review period.

**UTAH**

1. Reschedule Ute Tribe FIP consultation – a meeting was scheduled for January 16<sup>th</sup>.
2. Salt Lake and Provo PM2.5 Attainment SIP(s) and NOI – see 1-pager for details.
3. Uinta Basin Emission Reduction Credit (ERC) Program - see 1-pager for details.

**COLORADO KERR MCGEE – GEN 5 PERMITS**

**Background**

The Colorado Air Pollution Control Division (APCD) began discussions with Region 8 in January 2018 requesting information on who in EPA would be the approving authority under a Reg. 7 Section XII.A.9 State Implementation Plan (SIP) provision for approving alternative VOC emissions control equipment and pollution prevention control devices at oil and gas production facilities. The APCD wants to exercise a previously unused provision at Colorado Reg. 7, Section XII.A.9, that would allow Kerr-McGee to take advantage of low emissions from existing tankless well production facilities ("GEN5" process) in meeting the state's system-wide 90% VOC control efficiency requirement.

This provision, copied below, is for the approval of alternative emissions control equipment and pollution prevention control devices installed to meet the control requirements of Reg. 7 Section XII.

*EPA approves the proposal. The division shall transmit a copy of the permit application and any other materials provided by the applicant, all public comments, all division responses and the*

*division's permit to EPA Region 8. If EPA fails to approve or disapprove the proposal within 45 days of receipt of these materials, EPA shall be deemed to have approved the proposal.*

The APCD expects to receive approximately 80 such requests from Kerr-McGee for facilities in the ozone nonattainment area. The Region's main concern is that while we agree the concept of eliminating oil storage tanks from well sites and transferring oil directly via pipelines is better for the environment, Kerr-McGee is already using the "GEN5" tankless design for new sites and is not retrofitting facilities with an older "GEN4" design which includes oil storage tanks. The company is seeking credit for reductions from emissions that never existed. There could be a disincentive for the company to maintain and operate existing controls at legacy wells in the system-wide application. If not addressed, this could actually result in an increase in system-wide emissions with the GEN5 design, which is of particular concern for the ozone nonattainment area.

The APCD provided a pre-draft permit document to process these requests for EPA's review in June 2018. The Air Program reviewed the pre-draft permit document and provided comments to the state in July 2018. The state provided some additional supporting technical analysis on the process in addition to responses to our comments in mid-October 2018.

Region 8 met with the Colorado APCD and Kerr-McGee on November 1, 2018 to discuss EPA's additional questions and concerns regarding Colorado's pending Pollution Prevention Process proposal. In response to the meeting action items, Colorado sent on December 13, 2018 an updated 1) technical review document, 2) permit document, 3) process flow diagram and 4) a letter from KMG to EPA responding to requests for information regarding emissions control practices for storage tanks that are not subject to Regulation 7, Section XII.D along with feedback on continuous pressure monitoring recordkeeping. We had initially committed to responding to Colorado by January 11<sup>th</sup>.

### **Next Steps**

Technical staff discussion of revised material – Meeting scheduled for February 6<sup>th</sup>

Brief Megan – Meeting scheduled for February 7<sup>th</sup>

Response sent to Colorado – week of February 11<sup>th</sup>

### **REGIONAL HAZE**

#### Jim Bridger RH Reassessment Proposal

EPA Region 8 staff and OGC met with PacifiCorp and WY DEQ on December 7, 2018 to discuss paths forward on an alternate approach to meeting regional haze requirements at PacifiCorp's Jim Bridger power plant. PacifiCorp sent EPA updated information regarding their proposed approach on December 31, 2018. EPA Region 8 and HQ's technical and legal staff plan to commence review of PacifiCorp's approach during the three-week CR period. A timely turnaround by EPA is needed in order to stay as close as possible to PacifiCorp's tight schedule for moving forward on this approach.

#### Utah Draft NOx BART Alternative RH SIP

Utah is requesting that EPA review and provide comment on their draft regional haze SIP by February 13, 2019. The Region 8 Air Program received the draft on January 14, 2019. Utah's mid-February deadline to receive EPA comments is based on their need to stay on schedule with submitting the SIP to their Air Quality Board for approval and subsequent submittal to EPA. This rulemaking is a high priority for Utah. The SIP, if approved by EPA, will replace the Utah regional haze Federal Implementation Plan (FIP) that EPA promulgated in July 2016.

## WYOMING INTERSTATE TRANSPORT

RA signature is needed on a proposed approval of Wyoming's interstate transport SIP for the 2008 ozone NAAQS. There is a March 6, 2019 deadline for EPA to issue a Finding of Failure to Submit resulting from EPA's March 6, 2017 disapproval of a previous WY interstate transport SIP. The action needing RA signature proposes to approve a new SIP revision that addresses the deficiencies we identified in the 2017 action.

**Ex. 5 Deliberative Process (DP)**

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## WEG 60 DAY NOTICE OF INTENT FOR DENVER OZONE

On January 22, 2019 WildEarth Guardians notified EPA of its intent to file suit against the EPA over the agency's failure to determine whether the Denver area attained the 2008 ozone NAAQS within six months of its July 20, 2018 attainment date. EPA proposed to grant Colorado a one-year extension of the attainment date through a national rulemaking published on November 14, 2018 but that action has not yet been finalized. During the comment period, EPA received requests for public hearings from WildEarth Guardians, the Center for Biological Diversity, and the Texas Commission on Environmental Quality. The hearing was scheduled for January 29, 2019, but due to the government shutdown, the notice announcing the details for the hearing and reopening of the comment period for the proposal was not published in the Federal Register. OAQPS has determined the new date for the hearing will be on Friday, February 15<sup>th</sup> in D.C., and plans to have the revised notice signed on January 30.

## NORTHERN CHEYENNE TAS LETTERS

The Northern Cheyenne Tribe has applied to EPA Region 8 for treatment in a similar manner as a state (TAS) for regulatory and nonregulatory provisions under the Clean Air Act. Region 8 is reviewing the Tribe's assertion of jurisdiction over the lands covered by the application, as required by the regulations in the Tribal Authority Rule. To help inform the jurisdictional review, Region 8 sends letters soliciting information from Appropriate Government Entities (AGE's).

### Next Steps

- Provide requested information on AGE contact information and map clarification of additional parcels to Senior Advisor Patrick Davis, who will be contacting the AGE's as the letters arrive by mail.
- Finish routing final draft of letter to Doug Benevento to sign based on latest agreed-upon language.
- Send letters to the following AGE's: Governor of Montana and Montana Attorney General, Montana Department of Environmental Quality, Montana Fish, Wildlife & Parks, Montana Department of Natural Resources, Montana's Federal Congressional Delegation, County Commissioners for Rosebud and Big Horn Counties, Montana, The Crow Tribe, Governor of Wyoming and Attorney General, Wyoming Department of Environmental Quality, US Bureau of Indian Affairs, US Bureau of Land Management.

